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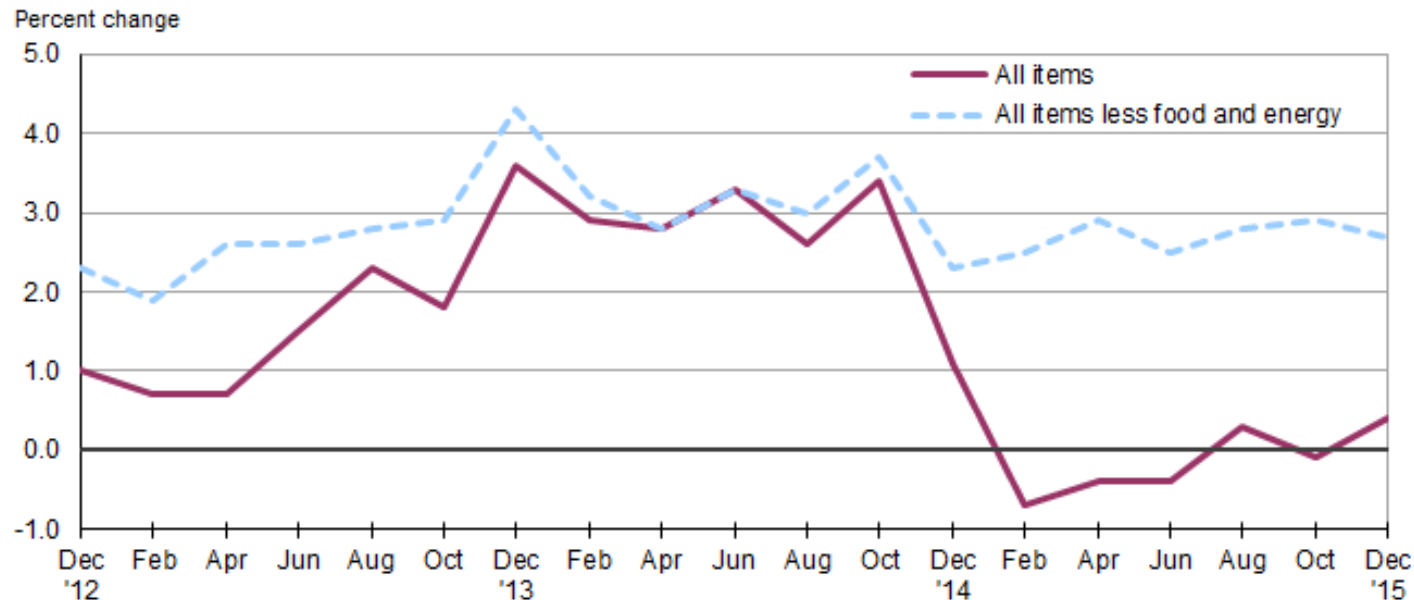
Consumer Price Index, Houston-Galveston-Brazoria – December 2015

Area prices down 0.8 percent in November and December; rise 0.4 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area declined 0.8 percent in November and December, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that declines are typical in the November and December time period, having occurred in 29 of the last 32 years. In the current period, decreases in the indexes for energy (-6.9 percent) and for all items less food and energy (-0.5 percent) more than offset an increase in food prices (0.5 percent). (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the year ended in December 2015, the all items CPI-U rose 0.4 percent. (See [chart 1](#).) The index for all items less food and energy increased 2.7 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, December 2012–December 2015



Source: U.S. Bureau of Labor Statistics.

Food

Local food prices rose 0.5 percent in November and December, after decreasing 0.3 percent in September and October. Among the two components of the index, prices for food at home (grocery stores) increased 0.7 percent, while prices for food away from home were little changed, edging up 0.1 percent.

From December 2014 to December 2015, the food index advanced 1.5 percent, reflecting the combined effects of a 2.1-percent price rise for food away from home and a 1.1-percent price rise at grocery stores.

Energy

The energy index decreased 6.9 percent in November and December, after falling 10.3 percent in September and October. The biggest factor in the current two-month decline was a 10.1-percent decrease in the motor fuel index, though lower electricity prices also contributed, down 3.5 percent. Natural gas costs were unchanged during the period.

During the year ended in December 2015, the energy index fell 23.4-percent as prices decreased for all three energy components; these three components have registered over-the-year declines in every month of 2015. In the current 12-month decline a 25.2-percent drop in motor fuel prices was the biggest factor, though lower electricity and natural gas costs were also major contributors, down 23.0 and 11.9 percent, respectively.

All items less food and energy

The index for all items less food and energy decreased 0.5 percent in November and December, after advancing 1.0 percent in September and October. A 10.7-percent decline in apparel prices had the greatest impact, though smaller decreases were registered for other goods and services (-1.4 percent), education and communication (-0.9 percent), recreation (-0.7 percent), and medical care (-0.2 percent). Countering a portion of these declines, shelter costs increased 0.4 percent, as higher prices were registered for both homeowners (0.8 percent) and renters (0.3 percent).

From December 2014 to December 2015, the index for all items less food and energy rose 2.7 percent. The biggest factor in the annual increase was a 6.1-percent rise in shelter costs, as the indexes rose for both renters' costs (6.5 percent) and owners' equivalent rent (5.9 percent). Other large contributors to the annual increase included higher prices for household furnishings and operations (6.3 percent) and medical care (2.4 percent). Helping to offset some of these increases, prices fell over the year for apparel (-8.0 percent) and for recreation (-4.5 percent).

The February 2016 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released on March 16, 2016.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately

24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, *The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/pdf/homch17.pdf.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Houston-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from -		
	Oct. 2015	Nov. 2015	Dec. 2015	Dec. 2014	Oct. 2015	Nov. 2015
All items	214.569	-	212.936	0.4	-0.8	-
All items (1967 = 100)	688.199	-	682.962			
Food and beverages	224.440	-	225.265	1.5	0.4	-
Food	224.190	-	225.223	1.5	0.5	-
Food at home	223.992	225.836	225.620	1.1	0.7	-0.1
Food away from home	220.072	-	220.377	2.1	0.1	-
Alcoholic beverages	217.985	-	215.618	0.6	-1.1	-
Housing	204.995	-	206.035	3.4	0.5	-
Shelter	245.537	246.394	246.632	6.1	0.4	0.1
Rent of primary residence ⁽¹⁾	238.585	239.355	239.289	6.5	0.3	0.0
Owners' equivalent rent of residences ⁽¹⁾ ⁽²⁾	227.046	228.328	228.923	5.9	0.8	0.3
Owners' equivalent rent of primary residence ⁽¹⁾ ⁽²⁾	227.046	228.328	228.923	5.9	0.8	0.3
Fuels and utilities	154.801	-	151.864	-15.4	-1.9	-
Household energy	135.116	128.775	131.333	-21.3	-2.8	2.0
Energy services ⁽¹⁾ ⁽³⁾	132.809	126.414	128.985	-21.3	-2.9	2.0
Electricity ⁽¹⁾	131.952	124.291	127.378	-23.0	-3.5	2.5
Utility (piped) gas service ⁽¹⁾	126.052	126.027	126.007	-11.9	0.0	0.0
Household furnishings and operations	125.331	-	129.144	6.3	3.0	-
Apparel	189.426	-	169.216	-8.0	-10.7	-
Transportation	172.983	-	169.190	-4.4	-2.2	-
Private transportation	171.082	-	167.498	-4.5	-2.1	-
Motor fuel	179.868	171.708	161.669	-25.2	-10.1	-5.8
Gasoline (all types)	179.983	171.603	161.391	-24.5	-10.3	-6.0
Gasoline, unleaded regular ⁽⁴⁾	182.267	173.654	162.674	-25.5	-10.7	-6.3
Gasoline, unleaded midgrade ⁽⁴⁾ ⁽⁵⁾	194.107	183.886	176.334	-21.4	-9.2	-4.1
Gasoline, unleaded premium ⁽⁴⁾	195.701	188.505	180.149	-18.9	-7.9	-4.4
Medical care	447.665	-	446.557	2.4	-0.2	-
Recreation ⁽⁶⁾	101.900	-	101.154	-4.5	-0.7	-
Education and communication ⁽⁶⁾	126.138	-	125.032	0.8	-0.9	-
Other goods and services	394.618	-	389.155	0.9	-1.4	-
Commodity and service group						
Commodities	173.042	-	169.059	-3.4	-2.3	-
Commodities less food and beverages	147.686	-	141.888	-6.2	-3.9	-
Nondurables less food and beverages	192.421	-	179.739	-10.4	-6.6	-
Durables	105.012	-	104.281	-0.9	-0.7	-
Services	257.695	-	258.425	3.0	0.3	-
Special aggregate indexes						
All items less shelter	202.920	-	200.290	-2.0	-1.3	-
All items less medical care	203.046	-	201.428	0.2	-0.8	-
Commodities less food	150.135	-	144.391	-6.0	-3.8	-
Nondurables	208.803	-	202.686	-4.3	-2.9	-
Nondurables less food	193.731	-	181.633	-9.8	-6.2	-
Services less rent of shelter ⁽²⁾	269.010	-	269.895	0.1	0.3	-
Services less medical care services	238.536	-	239.221	3.1	0.3	-
Energy	155.640	148.471	144.962	-23.4	-6.9	-2.4
All items less energy	223.289	-	222.583	2.5	-0.3	-
All items less food and energy	222.991	-	221.970	2.7	-0.5	-

Note: See footnotes at end of table.

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Indexes on a December 1982=100 base.

(3) Prior to January 2011 this series was titled Gas (piped) and electricity.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1997=100 base.

Note: Index applies to a month as a whole, not to any specific date.